

State of South Dakota

EIGHTY-NINTH SESSION LEGISLATIVE ASSEMBLY, 2014

706V0536

HOUSE BILL NO. 1157

Introduced by: Representatives Ecklund, Cammack, Campbell, Carson, Cronin, Duvall, Erickson, Hawley, Heinemann (Leslie), Hickey, Langer, Latterell, Magstadt, Novstrup (David), Olson (Betty), Parsley, Rozum, Steele, and Tulson and Senators Curd, Brown, Frerichs, Hunhoff (Jean), Kirkeby, Krebs, Maher, Rampelberg, and Sohlt

1 FOR AN ACT ENTITLED, An Act to provide for the retrospective payment of clean claims for
2 covered services provided by a health care professional during the credentialing period.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That chapter 58-17 be amended by adding thereto a NEW SECTION to read as
5 follows:

6 Terms used in this Act mean:

- 7 (1) "Application date," the date on which a health insurer or other entity responsible for
8 the credentialing of health care professionals on behalf of the health insurer receives
9 the health care professional's completed application for credentialing or change
10 request;
- 11 (2) "Clean claim," as defined in § 58-12-19;
- 12 (3) "Health care professional," as defined in subdivision 58-17F-1(8);
- 13 (4) "Health insurer," as defined in subdivision 58-17-100(2);



(5) "Special Review," a supplemental review of a health care professional's completed application for credentialing or change request by a health insurer or other entity responsible for credentialing of health care professionals necessitated by credible evidence received by a health insurer or other entity responsible for credentialing of health care professionals as it relates to the action taken against the applicant's licensure status, action taken against the applicant's professional society status, verified complaints to facilities, or licensing agency regarding the applicant; the applicant's non-completion of training programs; a criminal proceeding brought against the applicant; or a malpractice claim brought against the applicant.

Section 2. That chapter 58-17 be amended by adding thereto a NEW SECTION to read as follows:

A health insurer shall make retrospective payment for all clean claims submitted by a health care professional after the credentialing period for covered services provided by the health care professional during the credentialing period subject to all of the following:

- (1) The credentialing period begins on the application date and ends on the date that the health care professional receives notice that the health insurer or other entity responsible for credentialing health care professionals on behalf of the health insurer has made a final determination approving the health care professional's application to be credentialed;
- (2) The health insurer or other entity responsible for credentialing health care professionals on behalf of the health insurer shall notify an applicant of its determination regarding a properly completed application for credentialing within ninety days of receipt of an application containing all information required by the health insurer's credentialing form;

- 1 (a) If an incomplete application is received, the health insurer or other entity
2 responsible for credentialing of health care professionals on behalf of the
3 insurer shall notify the applicant of the incomplete application as soon as
4 possible, but no more than thirty days after receipt of the application. The
5 notification shall itemize all documentation or other information that the
6 insurer or entity must receive to complete the application;
- 7 (b) A health insurer or other entity responsible for credentialing of health care
8 professionals may take additional time beyond the ninety days if a special
9 review is required;
- 10 (3) The health care professional may not submit any claim to the health insurer during
11 the credentialing period;
- 12 (4) A health insurer may not be required to pay any claim submitted by a health care
13 professional during the credentialing period;
- 14 (5) The health insurer's time period for timely submission of claims may not begin until
15 the credentialing period has ended. The health insurer's rules pertaining to timely
16 submission may not be used to deny payment of any clean claim for medical services
17 provided by a health care professional during the credentialing period, so long as the
18 health care professional submits all such claims within the time period required by
19 the health insurer's rules beginning on the date the health care professional receives
20 notice that the healthcare professional is credentialed;
- 21 (6) Unless otherwise prohibited by law, after the health care professional is credentialed,
22 the health care professional shall submit all claims to the health insurer for covered
23 services provided by the health care professional during the credentialing period;
- 24 (7) After the health care professional is credentialed, a health insurer shall pay or deny

1 all clean claims submitted by the health care professional for covered services
2 provided by the health care professional during the credentialing period.

3 Section 3. That chapter 58-17 be amended by adding thereto a NEW SECTION to read as
4 follows:

5 Within seven calendar days of receiving a request for an application to be credentialed by
6 a health care professional, a health insurer or other entity responsible for the credentialing of
7 health care professionals on behalf of the health insurer shall send an application form to the
8 professional. The application form shall identify and itemize all documentation and other
9 information that the insurer or entity must receive in order for an application to be complete.

10 Section 4. That chapter 58-17 be amended by adding thereto a NEW SECTION to read as
11 follows:

12 Nothing in this Act applies to services provided by a health care professional that are
13 covered by Medicaid, Medicare, TRICARE, or other health care benefit program subject to
14 federal regulations regarding eligibility and provider payments. Nothing in this Act requires a
15 health insurer or other entity responsible for credentialing health care professionals on behalf
16 of the health insurer to take any action in violation of the requirements of the National
17 Committee for Quality Assurance (NCQA) or Utilization Review Accreditation Commission
18 (URAC).

19 Nothing in this Act requires a health insurer or other entity responsible for credentialing
20 health care professionals on behalf of the health insurer to credential a health care professional
21 or to permit a non-credentialed health care professional to participate in the health insurer's
22 provider network.